Senate Special Property Reassessment & House Special Property Reassessment Joint Committee

153rd General Assembly
Tuesday, September 30, 2025
Senate Chamber/Virtual Meeting
9:30 a.m. - 2:30 p.m.

Committee Members Present

Senator Bryan Townsend, Chair	Bryan.Townsend@delaware.gov
Representative Kerri Evelyn Harris, Chair	KerriEvelyn.Harris@delaware.gov
Senator Elizabeth Lockman	Elizabeth.Lockman@delaware.gov
Senator Brian Pettyjohn	Brian.Pettyjohn@delaware.gov
Senator Eric Buckson	Eric.Buckson@delaware.gov
Senator Daniel Cruce	Daniel.Cruce@delaware.gov
Senator Kyra Hoffner	Kyra.Hoffner@delaware.gov
Senator Russell Huxtable	Russell.Huxtable@delaware.gov
Senator Spiros Mantzavinos	Spiros.Mantzavinos@delaware.gov
Representative Melissa Minor-Brown	Melissa.MinorBrown@delaware.gov
Representative Frank Burns	Frank.Burns@delaware.gov
Representative Nnamdi Chukwuocha	Nnamdi.Chukwuocha@delaware.gov
Representative Kevin Hensley	Kevin.Hensley@delaware.gov
Representative Eric Morrison	Eric.Morrison@delaware.gov
Representative Cyndie Romer	Cyndie.Romer@delaware.gov
Representative Claire Snyder-Hall	Claire.Snyder-Hall@delaware.gov

Representative Michael F. Smith	Michael.F.Smith@delaware.gov
Representative Jeffrey Spiegelman (On behalf of Representative Timothy Dukes)	Jeff.Spiegelman@delaware.gov
Representative Kimberly Williams	Kimberly.Williams@delaware.gov

Attendees

All public registrants, both in-person and virtual, are listed in Appendix A.

Agenda

I. Call to Order

II. Presentations to Committee

   A. New Castle County

   B. City of Wilmington

   C. Tyler Technologies

III. Questions from Committee

IV. Public Comment

V. Adjourn

I. Call to Order

Senator Townsend called the meeting to order at 9:35 a.m.

Senator Townsend outlined the hearing schedule, which included opening remarks, invited testimony, a lunch break, committee questions, and public comment. He noted that this is Delaware's first statewide property reassessment in over 40 years, prompted by a court ruling that found constitutional inequities in outdated property valuations. While reassessments are standard in other states, Delaware is adapting to the process and must ensure fairness for residents, local governments, and schools. He also acknowledged the committee's broad concerns, including issues affecting seniors, agriculture, housing, and working families.

Representative Spiegelman, standing in for House Minority Leader Representative Dukes, stressed the importance of public input, noting that feedback had been limited during the previous special session. He added that he would keep his remarks brief to allow more time for public comment.

Senator Pettyjohn expressed concerns regarding the reassessment formulas and the lack of transparency. He also underscored the importance of public comment.

Representative Harris highlighted that many constituents are facing steep tax increases affecting daily expenses. She noted that schools had already budgeted for funds tied to these bills, making

it necessary to balance relief for families with operational needs. She said the hearings aim to understand the reassessment process, identify shortcomings, and develop long-term solutions that ensure fairness for all communities.

II. Presentations to Committee

A. New Castle County

Marcus Henry, New Castle County Executive, spoke on behalf of New Castle County regarding the recent reassessment process. He stressed the importance of making the process fair and manageable for residents. He reviewed its history, including the 2018 lawsuit that prompted reassessment, the county's contract with Tyler Technologies, the mailing of tentative values in late 2024, and both the informal and formal appeal processes. He noted that the county adopted a revenue-neutral tax strategy and implemented outreach efforts, such as community meetings, extended deadlines, and volunteer assistance for appeals.

He acknowledged ongoing concerns, particularly in Wilmington, and explained that the county has limited legal authority to change assessments outside the appeals process. He highlighted improvements in communication and transparency, including expanded call centers, increased access to public records, and grassroots engagement. He emphasized the need to update laws due to Delaware's 40-year gap in reassessments.

Henry outlined five possible legislative actions he believed would improve the process. He began by suggesting that legislators clearly define "fair market value" in Delaware law. He also recommended that the tax code specify what constitutes an "error" to allow corrections outside the appeals process. He then suggested creating a joint task force to study assessment practices and consider potential reforms. He proposed that the state explore rolling appraisals and improvements to property classification systems. Finally, he encouraged centralizing the procurement of assessment vendors at the state level to ensure consistency and oversight. He concluded by reaffirming his administration's commitment to transparency, collaboration, and restoring public trust in Delaware's property assessment system.

B. City of Wilmington

Cerron Cade, Chief of Staff to the Mayor of Wilmington, spoke on behalf of the City of Wilmington regarding the recent reassessment process. He explained that Wilmington's goal with the presentation was to show how the assessment process produced unfair outcomes, why these problems are unique to the city, and to offer recommendations for improvement.

Cade identified three major challenges. First, Wilmington's permitting data was not included in the assessment model, leaving gaps in housing market information. Second, the lack of interior inspections caused the process to rely too heavily on comparable sales, skewing results in older and lower-income neighborhoods. Third, the short appeals window overlapped with budget

deadlines, giving the city little time to review or contest findings before new values were finalized. He noted that these shortcomings created unfair outcomes for many residents. Data showed that assessments scored far outside industry standards for fairness, disproportionately burdening low-income neighborhoods where rehabilitated homes were overvalued compared to surrounding properties. Once the city received the full appraisal data, officials developed remedies including extending tax deadlines, incorporating permitting data, exploring interior inspections, and assisting residents with appeals.

Cade offered several recommendations. He called for standardized rules for the appeals process and greater use of interior inspections in urban areas. He suggested that reassessments be completed at least one year before taking effect and emphasized the importance of consistently using city permitting data and conducting regular reassessments with a uniform methodology. He also proposed that Wilmington's omission of permitting data be considered a significant error, allowing flexibility to adjust values for the city's hardest-hit neighborhoods. He concluded by stressing the importance of fairness in taxation and reaffirmed Wilmington's commitment to an equitable assessment system.

C. Tyler Technologies

Jake Wilson, Senior Vice President of Tyler Technologies' Property and Recording Division, spoke on behalf of the company regarding the recent reassessment process. He provided an overview of Tyler Technologies, a Texas-based company with over 7,500 employees and nearly 30 years of experience serving the public sector. Their products support more than 13,000 locations across all 50 states, including services such as vehicle registrations, utility billing, school bus tracking, and tax administration.

He emphasized that Tyler Technologies is also a national leader in property appraisal, serving over 2,000 jurisdictions and reassessing more than 34 million parcels nationwide. The company adheres to professional standards set by the International Association of Assessing Officers (IAAO) and the Uniform Standards of Professional Appraisal Practice (USPAP). Their appraisal division has over 85 years of experience and offers services including full reassessments, cyclical reviews, new construction updates, expert testimony, and staff support for local governments.

Wilson explained that Tyler was competitively selected to conduct Delaware's comprehensive property reassessments after decades without updates, as required by court rulings to correct outdated values and restore fairness. Delaware's 40-year gap between reassessments is among the longest in the nation, creating inequities between similar properties, while the IAAO recommends reassessments every 4-6 years. He acknowledged that reassessment can raise concerns, especially for first-time participants, but emphasized that the project followed professional standards. He distinguished between mass appraisals, used for large-scale reassessments, and individual property appraisals, noting Tyler's role was to deliver fair market values using accepted industry methodologies.

Michael McFarlane, Regional Manager and Project Manager for New Castle County's reassessment, outlined the appraisal process. The project began in 2021 and covered approximately 215,000 parcels, mostly residential. Data collection included site characteristics, photographs, and verification mailers, as interior inspections were not conducted. Valuations were analyzed using three accepted methods: cost, income, and sales comparison. Final values were reconciled and defended through informal hearings, followed by the county's formal appeals process.

He explained that mass appraisals use standardized models and statistical testing to value many properties, while individual or "fee" appraisals focus on a single property. Fair market value reflects the price a willing buyer and seller would agree upon in an arm's length transaction. Tyler applied accepted methods considering property data, construction costs, recent sales, and income potential where appropriate. Residential parcels were evaluated based on size, condition, quality, and amenities, while commercial properties considered factors like leasable area, additions, and price per unit. About 2.4% of parcels in New Castle County were formally appealed, relatively low compared to the industry norm of 5-10%, with appeals mainly due to the size of increases caused by volatile market conditions and the 40-year reassessment gap.

McFarlane clarified that Tyler Technologies' purpose was to restore equity by valuing all properties at current market levels. The company's role was limited to determining fair market value as of July 1, 2024, and providing the final tax roll to New Castle County in February 2025. They did not calculate or consider resulting tax burdens.

Jake Wilson addressed concerns raised by the City of Wilmington. He explained that localized statistical anomalies were expected in diverse urban neighborhoods with varying housing stock. Property owners who disagreed with their reassessment still had remedies through the appeals process. He noted that interior inspections are not standard in mass appraisal, as valuations rely on exterior observations, public records, and statistical modeling. This is an approach that allows efficient, cost-effective large-scale reassessments.

Wilson emphasized that Tyler has no role in setting tax rates or burdens, only providing impartial property valuations in accordance with law and professional standards. He highlighted multiple educational meetings held with the City of Wilmington to explain the methodology and process, and closed by reaffirming Tyler Technologies' transparency, commitment to accurate valuations, and willingness to answer committee questions.

III. Questions from Committee

Senator Townsend Senator Townsend opened the Q&A by thanking participants for their respectful conduct and stressing the importance of decorum. He noted that while hearing dates had been set for October 7, October 21, and November 4, those may change due to an ongoing lawsuit. Oral arguments are scheduled for October 20, with a ruling expected soon after, so the committee will adjust its agenda to align with the litigation timeline. He emphasized that not all

of the committee's work is tied to the lawsuit, as some issues are longer-term, and any scheduling updates will be announced promptly.

He reminded members that not all questions could be addressed today due to time constraints and said future sessions will be coordinated with the counties, the City of Wilmington, and Tyler Technologies. He added that the committee's broader goal is to develop a legislative framework for possible implementation by July 2026 rather than waiting for another formal reassessment. He stressed the need to engage stakeholders such as educators, small business owners, landlords, and restaurant operators to fully understand reassessment impacts. He asked members and presenters to keep questions and answers concise to maximize efficiency.

Senator Cruce asked Tyler Technologies for more detail on their valuation methodology for commercial and residential properties, specifically how it complies with Delaware law on uniformity and equal fair market value.

Mike McFarlane responded that residential properties are primarily valued using the sales comparison, or market, approach. This method compares recent sales of similar properties, with data analyzed through multiple regression based on attributes such as location, square footage, condition, and quality. For non-residential properties, Tyler used the cost and income approaches. The cost approach calculates replacement cost, adjusts for depreciation, and adds land value, while the income approach capitalizes net operating income divided by a capitalization rate to determine fair market value.

Senator Cruce asked how anomalies in valuation analyses are identified and addressed.

Mike McFarlane explained that Tyler conducts comprehensive quality assurance checks for all parcels across all valuation approaches to ensure accuracy and reliability before final values are set.

Representative Williams asked New Castle County Executive Marcus Henry to elaborate on his earlier comments about postponing assessment data. She wanted to know who authorized the delay in releasing information to constituents and when Tyler Technologies and the former county administration realized that the 2025 reassessments would significantly shift the tax burden from commercial properties to homeowners compared with 2024.

Denzil Hardman, Assessment Manager for New Castle County, explained that the situation was not a delay. He said the shift from 2023 values to 2025 values required an expanded project timeline with new deliverables, including the timing of tentative value notices. Hardman recommended sending the notices in summer 2024, but the administration ultimately chose November 2024. He stressed that November was established early in the revised schedule and should not be considered a delay.

Representative Williams asked for clarification, confirming whether summer 2024 had been the original plan before the decision was made to move the release to November.

Denzil Hardman replied that summer 2024 was only his suggestion during discussions, not an approved plan, and that the administration's final decision was always November 2024.

Mike McFarlane of Tyler Technologies added that under Tyler's 2021 contract with New Castle County, the company had the choice of two delivery timelines. One option would have ended in February 2023, but Tyler exercised its right to extend the project to February 2025, providing a written explanation. He emphasized that this was permitted under the contract and documented in public records.

Representative Williams asked why small commercial and residential parcels seemed to be assessed at a flat rate with only minor increases, rather than using the standard method of cost per acre multiplied by land size.

Mike McFarlane responded that land values were based on actual market transactions, specifically settled and closed land sales, and that this approach followed industry standards.

Representative Williams pointed to specific examples, including a Section 8 property valued at nearly twice the amount of a nearby property, and asked why such discrepancies occur.

Mike McFarlane said he could not address individual property cases but clarified that exempt properties are not treated differently in the valuation process. He emphasized that tax-exempt status plays no role in Tyler's assessment methodologies.

Senator Buckson asked New Castle County Executive Marcus Henry to revisit the timeline for releasing assessment notices, specifically the shift from summer 2024 to November 2024. He requested clarification and asked Henry to explain why the timing is important, noting that the earlier discussion may not have been clear to everyone.

Marcus Henry replied that he was not directly involved in the decision and had no further information beyond what had already been discussed.

Mike McFarlane clarified that the discussion at that moment focused on the mailing of initial valuation notices to New Castle County property owners.

Senator Buckson then asked what a notice of valuation is for the average property owner and why timely delivery matters.

Mike McFarlane explained that the notice is a written document mailed to each property owner, showing the assessed value of the property and inviting them to participate in the informal appeals process.

Senator Buckson asked for further clarification on the November mailing, stressing that the decision was made by the prior administration. He also asked when the appeals process began and why timing matters, emphasizing that timely notice allows property owners to challenge their assessments.

Mike McFarlane responded that the mailing of notices starts the informal appeals process, during which property owners can review their assessments and report errors or discrepancies to Tyler Technologies. After the informal process ends, owners may pursue the formal appeals process governed by statute and county code.

Senator Buckson emphasized that timely notice gives property owners the chance to raise informal concerns, which can resolve many issues, as happened in Kent County. If unresolved, owners can pursue a formal appeal with Tyler Technologies and, if necessary, a public hearing. He argued that this process did not function effectively in New Castle County because notices were mailed in November, and that this decision created problems for residents while unfairly shifting blame to the current county administration.

Senator Townsend added that the discussion highlighted how timing directly affected property owners, who could have had more time to engage with the process. He also noted that an earlier schedule would have given the state, counties, and other stakeholders more time to understand the reassessments, instead of facing compressed deadlines.

Senator Mantzavinos asked why residential assessments in his district, home to many middle-class and senior residents, rose at higher rates than a large commercial property, specifically the Amazon facility.

Mike McFarlane responded that Tyler's contract does not cover tax policy. He noted that residential parcels, in aggregate, appreciated more than non-residential parcels but said he could not comment on tax impacts.

Senator Mantzavinos pressed further, asking how Tyler assessed the Amazon facility, which sold for nearly $400 million in 2022. He acknowledged the distinction between tax policy and assessed value but wanted to know why such a significant property did not see a comparable increase relative to nearby homes.

Mike McFarlane explained that Tyler values only real property, not machinery, equipment, business enterprise, or sales volume, which are excluded from ad valorem assessments.

Senator Mantzavinos again questioned why the million-square-foot facility and adjacent building did not show a valuation increase consistent with their size or sale price. He stressed that residents on fixed incomes or with mortgages are facing steep hikes while a global company seems unaffected, making the disparity hard to justify to constituents.

Jake Wilson added that Tyler cannot comment on individual properties but said broader market trends explain differences. Since COVID-19, commercial and industrial property usage has shifted, while the residential market has grown strongly. He emphasized that Tyler's role is to ensure uniform and equitable valuations, not to set tax policy or revenues.

Representative Romer asked how Tyler verifies income data for large commercial properties like Amazon. She noted the income approach often relies on self-reported figures, which may not be independently documented, creating risks of undervaluation. She pointed out that Amazon's revenues surged during the pandemic and questioned whether Tyler independently verified reported data.

Mike McFarlane clarified that the income approach considers only rental income and expenses tied to the real estate, not tenant business profits. Values are based on net operating income capitalized with market-supported rates. Company profits, like Amazon's, are excluded.

Representative Romer replied that this raises definitional issues. She noted that documents refer to an "investor's point of view" rather than a "buyer's point of view," arguing that an investor would see income potential differently. She said the lack of clarity about what "income-based" means has caused confusion.

Representative Smith asked if Tyler conducted post-assessment data analysis to flag properties with large discrepancies compared to prior assessments.

Mike McFarlane said Tyler performs internal quality control after tentative values are set. The commercial team checks values for reasonableness and sometimes compares them to prior assessments, though this is limited since the last reassessment was in 1983. Regardless, Tyler reviews and tests values to ensure they are reasonable.

Representative Smith asked for more detail on commercial quality control, including thresholds for revisiting values. He cited examples of extreme changes in Newark and on Tatnall Street, where reassessed values swung drastically, shifting tax revenue. He argued the commercial reassessment process seems inconsistent and less transparent than the residential side, and pressed Tyler to explain how it could improve for future projects.

Jake Wilson replied that Tyler cannot discuss individual cases but follows industry standards nationwide. He highlighted Tyler's experience with large-scale and complex reassessments, saying this shows their capability and reliability.

Representative Smith acknowledged Tyler's experience but insisted that no property or land should have decreased so drastically compared to 1984 assessments, arguing the outcomes appear inconsistent with real estate valuation principles.

Senator Townsend acknowledged the committee's efforts and stressed the need to organize topics for clarity. He emphasized that discussions about Amazon should focus on assessed value, not

tax policy, and expressed disappointment that earlier responses from Tyler Technologies conflated the two. He suggested referring to the income approach as a "rental approach" based on rental income and noted that promised follow-up answers had not yet been provided.

Senator Lockman asked when the income approach is applied in commercial assessments, and who ultimately decides which valuation method is used.

Mike McFarlane explained that Tyler primarily uses the cost and income capitalization approaches for non-residential properties. The income approach is applied to property classes, not at the discretion of owners. Owners receive a questionnaire for parcel-specific data, but if not returned, Tyler relies on market or economic rent data for comparable properties to ensure consistency.

Senator Lockman asked how many owners submitted income and expense data and whether lack of submissions correlates with anomalous valuations. She also asked if other jurisdictions require or encourage owners to provide this information.

Mike McFarlane said the response rate was about 1%, typical for other jurisdictions, as investment-grade property owners are generally reluctant to provide detailed data. He confirmed that a few jurisdictions have stringent annual reporting requirements, but such regulations are rare.

Senator Pettyjohn asked Tyler Technologies to clarify that mass appraisal results are not binding on individual properties.

Mike McFarlane reiterated that mass appraisals use ratio statistics and should not be judged by any single property's value.

Senator Pettyjohn raised concerns about agricultural properties, particularly poultry houses. He asked whether Tyler is willing to release methodologies for valuing agricultural land and structures, whether methodologies have changed since prior assessments, and whether agricultural properties are treated like other commercial properties.

Mike McFarlane said Tyler treats agricultural properties as a distinct class and does not yet have enough information to discuss specific properties.

Senator Pettyjohn asked if methodologies differed between Kent and Sussex counties, noting higher poultry farm assessments in Kent despite similar farms.

Mike McFarlane said he could not speak definitively about Kent and Sussex counties, but that the intention was for agricultural parcels to be treated consistently across all three counties.

Representative Burns noted that 25,000 appeals were filed, far higher than Tyler's cited 5,000, and criticized their 2.4% formal appeal rate. He cited a $393 million property assessed at $108

million, shifting tax burdens to residents, and asked whether Tyler uses the same methodology in Virginia, where formulas must be disclosed.

Jake Wilson said Tyler applies consistent mass appraisal principles across the U.S.

Representative Burns expressed concern that mass appraisal may not meet Delaware's constitutional obligation to its taxpayers. He asked whether Tyler could provide property-specific appraisals that are transparent and ensure fair treatment, especially given low returns of business-specific information.

Mike McFarlane replied that Tyler can provide property-specific appraisals, much of which is in their computer-assisted mass appraisal system. He also clarified that while the formal appeal rate was 2.4%, approximately 11,500 informal appeals were handled before the tax roll was certified, along with additional internal revisions, allowing taxpayers to address concerns before finalization.

Representative Spiegelman asked why Tyler did not use the market approach for commercial properties, noting it is widely accepted under IAAO standards and often used alongside cost and income approaches. He argued that relying only on income or cost methods caused discrepancies, such as properties selling for far more than their assessed values, and asked whether the market approach was discouraged or simply excluded.

Mike McFarlane responded that sales were considered, but IAAO standards only endorse cost and income approaches for non-residential properties. Sales data can be incorporated within the income approach, such as using a capitalization rate derived from a sale.

Representative Spiegelman emphasized reviewing properties with unusually different assessed values and asked whether tax-exempt status was considered, citing Section 8 housing and a preserved farm valued much higher than its preserved status suggested.

Mike McFarlane said Tyler does not apply tax exemptions; that is the counties' responsibility.

Representative Spiegelman argued that agricultural preservation directly affects market value, as preserved farms sell for much less than non-preserved farms.

Mike McFarlane reiterated that Tyler's role is limited to establishing market value, while exemptions are the counties' responsibility.

Representative Spiegelman raised broader concerns, noting that a recent law doubling commercial tax rates will heavily affect multifamily housing, increasing rents. He urged discussion on redoing commercial assessments and suggested creating a separate class for multifamily, mixed-use, and mobile home parks once the courts provide guidance.

Senator Hoffner criticized Tyler for not having staff prepared to address farmland and preservation valuations, stressing agriculture's importance. She noted inconsistencies in chicken

house assessments and asked whether Tyler reviewed all similar agricultural properties after correcting specific appeals.

Mike McFarlane said Tyler applied a consistent methodology for agricultural valuations across all three counties, noting that farm home sites are taxable. He added that Delaware lacks updated guidance from a state farmland advisory committee, which once set use-value rates.

Senator Hoffner asked if Tyler ensured consistent valuations across counties to avoid economic disparities and whether the methodology was provided to the state or counties.

Mike McFarlane said he could not speak to specific examples but that the formula is embedded in Tyler's CAMA system and documented in the mass appraisal report.

Senator Hoffner noted that Tyler staff had been unable to answer farmers' concerns when questioned directly and asked how the cost approach was applied to preserved farmland with no economic benefit.

Mike McFarlane explained that agricultural parcels are almost always appraised using the cost approach, which calculates the replacement cost of improvements minus depreciation, plus land value.

Senator Hoffner asked how additional farm structures were evaluated, noting many are in poor condition yet received high assessments.

Mike McFarlane said condition and quality are factors, but on-site inspections did not occur due to biosafety concerns, specifically avian flu.

Senator Hoffner questioned why Tyler did not consult Delaware's farmland evaluation committee.

Mike McFarlane said they met with agricultural representatives over the years, but overvalued parcels must be addressed through the appeals process.

Senator Hoffner shared an example of an 81-year-old whose taxes jumped from $2,000 to $55,000 but were corrected when the county recognized her land was in preservation. She expressed concern that Tyler should have proactively understood different property types.

Mike McFarlane responded that tax implications are the county's responsibility, but Tyler believes they accounted for all property types and completed the reassessment according to industry standards.

Representative Morrison asked why identical homes in the same neighborhood received very different valuations, why some homeowners won appeals correcting their values, and why those corrections weren't applied to similar nearby homes.

Mike McFarlane explained that interior condition affects valuations. Tyler used "extraordinary assumptions" when interior information was missing and made neighborhood-level adjustments when new details, like basements or finishes, were reported.

Representative Morrison clarified that many constituents' homes were essentially identical and asked why valuations differed if interior differences weren't a factor.

Mike McFarlane said that when new information showed a property was similar to neighbors, Tyler adjusted the assessed value for the entire neighborhood before the tax roll was certified, even for homeowners who hadn't filed informal appeals.

Representative Morrison asked New Castle County why they chose a mass appraisal rather than individual appraisals after a 40-year gap.

Aaron Goldstein explained that mass appraisal is common in the U.S. and that the Court of Chancery settlement agreement required following an RFP specifying a mass appraisal.

Representative Morrison asked whether using a mass appraisal was mandated by the court or a choice by the county administration.

Aaron Goldstein clarified that the decision to use mass appraisal was made by the prior administration, consistent with the terms specified in the Court-approved settlement and RFP.

Representative Minor-Brown asked Tyler to clarify the income and expense questionnaire for investment property owners, specifically whether owners must provide documentation or just fill out a survey.

Mike McFarlane explained that owners provide information voluntarily. Tyler evaluates it for reasonableness, excluding items that don't reflect typical property expenses, using a process called reconstruction of the income statement.

Representative Minor-Brown asked whether tenants report rental income and how Tyler verifies it.

Mike McFarlane confirmed that reported rental income is checked against similar properties.

Representative Minor-Brown asked how many informal appeals led to changes in assessments.

Mike McFarlane said roughly 55% of informal appeals resulted in revisions.

Representative Minor-Brown asked if any informal appeals initially denied were later filed as formal appeals and revised.

Mike McFarlane indicated that question would be best directed to New Castle County.

Aaron Goldstein said that while some denied informal appeals likely resulted in formal appeals, he does not have exact numbers.

Representative Minor-Brown asked whether property owners knew they could file a formal appeal if an informal one was denied.

Aaron Goldstein explained that the informal process, managed by Tyler under contract, follows IAAO best practices and is separate from the formal process, which is governed by county and state law. He noted that formal appeal outcomes are still ongoing.

Representative Minor-Brown asked the City of Wilmington for clarification on what city-specific data was missing from the appraisal model.

Cerron Cade explained that city permitting and inspection records were largely missing from Tyler's model. While county-wide data was available, city residents lacked this, raising concerns about fairness.

Representative Minor-Brown asked when the city became aware of the missing data.

Cerron Cade replied that they became aware around April, when the final report was received. By then, the city had set its budget and applied assessed values. Prior to that, they only had anecdotal indications of issues.

Representative Minor-Brown asked Tyler who was responsible for providing Wilmington's data.

Mike McFarlane explained that Tyler met with the previous administration for inspections, but all property assessment information was contractually provided by New Castle County.

Representative Minor-Brown asked when Tyler realized they didn't have the necessary Wilmington data.

Mike McFarlane said Tyler first communicated concerns to New Castle County in 2022 and met approximately 70 times during the project to discuss information sharing.

Representative Minor-Brown expressed frustration that these information-sharing issues were not addressed when first noticed in 2022.

Senator Huxtable asked Tyler Technologies whether they used only the income approach or a combination of methods, including cost and sales comparison.

Mike McFarlane clarified that Tyler uses multiple valuation methods and does not rely solely on the income approach.

Senator Huxtable asked how properties still under development are evaluated.

Mike McFarlane explained that such properties are valued based on their condition at inspection, and incomplete improvements aren't fully assessed until finished, which is standard practice.

Senator Huxtable asked if anyone appealed because their property was undervalued.

Denzil Hardman said he couldn't recall any instances of that occurring.

Senator Huxtable noted that some properties sold for nearly $400 million are now assessed far lower, shifting the tax burden to others, and suggested corporations could appeal for higher assessments.

Bill Martin, Assistant County Attorney with New Castle County, said current Delaware law doesn't allow appeals to increase assessed value, so legislative changes would be needed.

Senator Huxtable asked whether New Castle County had conducted internal reviews of these properties.

Aaron Goldstein said that due to pending litigation, the county could not comment.

Representative Chukwuocha asked how Tyler's mass appraisal accounts for wide variations in property condition within the same urban block.

Jake Wilson explained that the coefficient of dispersion, which was 23% in Wilmington, measures the spread of property values around the median, not fairness. He gave an example of a $100,000 home next to a $125,000 home, which equals a 25% coefficient. He emphasized that the methodology uses millions of data points and the coefficient is reasonable given the diverse housing stock.

Representative Chukwuocha asked if the high coefficient undermines accuracy.

Mike McFarlane said it doesn't, as it reflects housing complexity. Home condition is factored, and residents with high valuations should appeal.

Representative Chukwuocha asked Wilmington officials about the planned interior assessment program and why only three neighborhoods were included.

Cerron Cade clarified that the city's concerns come from Tyler's final report, which flagged Wilmington's coefficient of dispersion as above the acceptable threshold and highlighted missing data, particularly interior conditions and city permitting information. He said the missing data disproportionately affected low-income communities, and the combination of high dispersion and missing data shows the assessment was flawed.

Representative Chukwuocha agreed that without city-specific data, the mass appraisal lacked fidelity and wasn't properly implemented.

Representative Minor-Brown asked Tyler to confirm whether Wilmington data was missing and if results might have differed had it been included.

Mike McFarlane confirmed that missing data fell under "extraordinary assumptions" and noted Tyler's contract was with New Castle County, responsible for providing city data.

Aaron Goldstein added that Wilmington historically shared permitting data with the county, but that stopped around the pandemic, and the data remains under the city's control.

Senator Townsend asked whether the county asked why the data wasn't sent or if the city offered it but the county didn't accept it.

Cerron Cade said past data-sharing issues matter less than the reassessment itself. As the first reassessment in 40 years and with the city not a party to the contract, coordination should have ensured Wilmington data was included to give residents fair evaluations.

Representative Minor-Brown emphasized that, regardless of responsibility, Wilmington's data never reached Tyler, causing inaccurate reassessment numbers and directly affecting residents' finances, housing, and quality of life.

Aaron Goldstein agreed that accurate information is essential but noted some conversations occurred without the county present, so some facts remain unknown, urging an open mind.

Senator Townsend asked about the timetable for posting all relevant information online.

Aaron Goldstein said a rolling release is planned, expected to begin within weeks due to the large volume.

Senator Townsend asked whether any privileged material will be exempted or redacted.

Aaron Goldstein replied they will follow FOIA principles, providing maximum transparency while protecting the county and its residents.

Representative Snyder-Hall asked Tyler Technologies if they helped develop industry standards for mass property reassessments.

Jake Wilson said Tyler participates in groups like IAAO but does not set or create the standards.

Representative Snyder-Hall asked New Castle County and Wilmington what legislative guidance would help future assessments.

Aaron Goldstein said the county cannot offer guidance due to pending litigation but looks forward to future discussions.

Cerron Cade suggested legislative improvements for Wilmington, including requiring all necessary data from government entities before assessments, conducting sample internal

appraisals in active neighborhoods, adjusting timelines so residents have time to review and appeal, and providing guidance for participation in the appeals process.

Aaron Goldstein noted Delaware law refers to “fair market value” without defining it, and suggested reviewing 40 years of case law when planning future assessment frameworks.

Representative Morrison asked for the difference between informal and formal appeals.

Aaron Goldstein explained that informal appeals, part of Tyler’s contract, allow property owners to review assessments, correct errors, or provide info before finalization. Formal appeals are governed by state and county law, follow set timelines, and determine what evidence can be submitted.

Representative Morrison asked for appeal outcomes, including informal appeals numbers, adjustments, and formal appeals results.

Aaron Goldstein said informal appeals are complete, while formal appeals are ongoing.

Mike McFarlane said there were 11,500 informal appeals, with about 55% resulting in revised values.

Aaron Goldstein noted a high percentage of adjudicated formal appeals also led to changes, though exact numbers weren’t available.

Representative Morrison asked how residents can trust assessments if many appeals change values.

Jake Wilson explained mass appraisal is complex, and more complete data improves accuracy. Citizen participation via informal and formal appeals helps correct errors, and unresolved disputes can go to court.

Representative Morrison expressed frustration with Tyler’s response given that many residents likely didn’t understand their appeal options..

Representative Romer noted Tyler’s April 2025 report showed Wilmington failed IAAO standards, with high coefficient of dispersion and price-related differential indicating inconsistent valuations. Low-value homes were overassessed, high-value underassessed, disproportionately benefiting corporations and harming low-income owners. She asked when Tyler first communicated these findings to the county.

Aaron Goldstein said he wasn’t personally aware and noted not everyone agrees the assessed values were wrong.

Mike McFarlane acknowledged the coefficient was above standards but said a high coefficient doesn't prove individual parcel errors. The median assessed value was 97% of market value, showing general alignment.

Representative Romer asked how New Castle County responded to Wilmington's resolution requesting reassessment withdrawal.

Kenneth Dunn, Deputy Chief Administrative Officer of New Castle County, said the county had not responded to the resolution.

Representative Romer asked if the county has policies to verify new valuations and address errors.

Aaron Goldstein said they cannot comment due to pending litigation.

Representative Romer asked how commercial land values are determined.

Mike McFarlane said they are based on market-derived evidence from completed transactions.

Representative Romer asked if permits from other municipalities were sent to the county for assessments.

Denzil Hardman said municipalities routinely provide updated permit info, which was available to Tyler.

Representative Mike Smith asked about appeals office staffing and timeline for resolving over 5,200 appeals.

David Del Grande, Chief Financial Officer of New Castle County, said there are about seven certified county assessors and a similar number contracted from Tyler. Not all are dedicated solely to appeals and sometimes only two are actively correcting appeals.

Representative Mike Smith emphasized the reassessment process is broken and should be redone, with new bills, clear communication, and accountability for residents. He expressed confusion as to why New Castle County could not answer questions as the lawsuit is constitutional rather than procedural.

Senator Townsend noted the lawsuit now involves factual disputes with expedited discovery, affecting what can be discussed. Future meeting schedules may be adjusted to align with litigation developments.

Senator Cruce expressed frustration with Tyler's vague answers, stressing fairness for hardworking families and the need for stronger accountability.

Senator Townsend asked Tyler to identify their main point of contact at the county during the reassessment.

Mike McFarlane said Denzil Hardman, the assessment manager, was the primary liaison.

Senator Townsend asked about the impact of the delayed notice timeline on residents' ability to receive notices, appeal, and budget, and how it compares to other jurisdictions.

Mike McFarlane said compressed timelines are fairly typical, even in jurisdictions with annual reassessments.

Senator Townsend asked whether longer intervals between reassessments, like every 40 years, would typically require a longer timeline.

Mike McFarlane said even with long gaps, timelines for each step remain relatively aggressive, similar to what happened in New Castle County.

Senator Townsend asked why a property sold for $400 million could later be assessed at only $108 million.

Mike McFarlane explained such properties can be treated as outliers in the analysis or due to data limitations, especially when only exterior inspections are conducted.

Senator Townsend emphasized the confusion this causes and suggested exploring policies to allow reassessing individual properties outside the mass appraisal process when large discrepancies occur.

IV. Public Comment

Senator Townsend moved to public comment.

Phil McGinnis, a commercial real estate owner and appraiser, said he has handled about 12 appeals in New Castle County and stressed that many taxpayers are not getting their formal appeal hearings, which he sees as the main problem.

Kristina Pansa, a Wilmington resident, urged officials to fix assessment disparities without hurting residents. She pointed to the appeals backlog, confusion about the process, and the burden of applying a system built for single-property evaluations to mass appraisals. She suggested that successful appeals in one area should guide adjustments in nearby neighborhoods, residents should get clear guidance, and refunds or credits should cover past overpayments.

Christian Willauer, a Wilmington City Council member, thanked lawmakers for creating the committee but said residents and small businesses in her district have faced extreme tax hikes, some over 200%. She shared the example of a veteran on a fixed income who could not pay his bill and said many others are in the same position.

Dan Burroughs, a Delaware resident, described his tax bill rising more than fourfold. He said his appeal notice was shortened by mailing delays, his informal appeal was handled by a new county employee with no experience, and at his formal appeal Tyler used comps he hadn't seen while his were ignored. When he went to court, the judge could only review the formal record, not his additional evidence.

Sydnie Grossnickle, representing the Delaware Farm Bureau, said errors hit farmers especially hard because agricultural property is unique and cannot be valued like homes, retail, or industrial sites. She stressed that farmers and all property owners need to understand how assessments are calculated so they can appeal fairly.

Denise Clendenning, a Kent County resident, said her 13-acre property of mostly wetlands was assessed at $304,000, raising her taxes 42%. Because the land cannot be improved, no true comparables exist, but Tyler still required them. She had already paid $2,000 for a survey and was told the increase was because "no more land is being made." She said Kent residents face steep, unexplained increases with no fair appeal option and called for solutions.

April Liciaga, a Sussex County resident, said her 25-year-old double-wide trailer on one acre was reassessed from $15,050 to $199,600 with taxes due immediately. Notices went to the wrong address, she had no appeal option, and requests for data were denied as "proprietary." She argued the reassessment is backdoor taxation to cover budget shortfalls and accused Tyler of conflicts of interest, noting lawsuits in other states. She called for an independent audit, caps on valuation increases, and a fairer process.

Phil Meyerson, a New Castle County homeowner, spoke for a 79-year-old retiree whose assessment rose from $288,000 to $342,000 after buying a foreclosure. The senior never received notice, the appeal form was impossible to complete, and the process was unrealistic for individuals. He criticized that homeowners face steep increases while large commercial properties see decreases and said no one told the senior about the tax discount available to them. He urged lawmakers to protect vulnerable residents.

Elisabeth Clarke, a New Castle County resident, said she filed an informal appeal with Tyler, submitted a comp, and instead got a letter saying her assessment was increased without explanation. The county FAQs never warned this could happen, which caused her to lose trust in Tyler and stop further appeals.

Karen Felix, a New Castle County resident, asked what audit or quality checks Tyler built into its program to review large variances in commercial property values. She argued that Tyler had a duty to investigate Wilmington's disparities rather than shifting blame to the county and said the lower values for large commercial sites compared to homes showed that variance analyses were not properly done.

Jamila Davey, a Wilmington resident, said the appeals process cannot fix the systemic problems. She argued residents are at a disadvantage against panels of lawyers, many never got notices, property data was inconsistent, and people were confused about whether higher assessments were good or bad. She added that under Delaware's revenue-neutral system, under-assessed owners never appeal, so over-assessed ones end up paying more than their fair share.

V. Adjourn

Senator Townsend thanked the Committee and adjourned the meeting at 3:10 p.m.

Minutes prepared by Wyatt Patterson, Legislative Assistant, 9/30/2025

Appendix A: Attendees

Kenneth Dunn, Deputy CAO, New Castle County

Denzil Hardman, Accounting & Fiscal Manager, New Castle County

William Martin, Esq., Assistant County Attorney, New Castle County

Aaron Goldstein, County Attorney, New Castle County

David Del Grande, Chief Financial Officer, New Castle County

Cerron Cade, Chief of Staff, City of Wilmington

Stephanie Mergler, Deputy Chief of Staff, City of Wilmington

Michael McFarlane, Tyler Technologies, Inc.

Jake Wilson, Tyler Technologies, Inc.

Marcus Henry, County Executive, New Castle County

Kevin R. Sipple, County Administrator, Kent County

Susan Durham, Finance Director, Kent County

Cheryl Bundek, Assessment Supervisor, Kent County

Tami Edwards, Appraiser Supervisor, Kent County

Todd Lawson, County Administrator, Sussex County

Gina Jennings, Finance Director/COO, Sussex County

Christian Willauer, Wilmington City Council

Sydnie Grossnickle, Delaware Farm Bureau

Phil McGinnis

Kristina Pansa

Dan Burroughs

Denise Clendenning

April Liciaga

Phil Meyerson

Elisabeth Clarke

Karen Felix

Jamila Davey